

Pumpkin Farm Wind, LLC

Floyd County, Texas

March 10, 2017

Superintendent Gilbert Trevino
Floydada Independent School District
226 W California Street
Floydada, TX 79235

VIA EMAIL AND CERTIFIED MAIL DELIVERY

Re: Pumpkin Farm Wind, LLC - Request for Amendment

Pumpkin Farm Wind, LLC ("Pumpkin Farm Wind") hereby requests an amendment to its Chapter 313 Appraised Value Limitation Agreement ("Agreement") with Floydada ISD, Application No.1133, to defer the first year of value limitation from tax year 2018 to tax year 2019 and to increase the project size from two hundred megawatts (200 MW) to two hundred and eighty megawatts (280 MW). The increase to the project of eighty megawatts (80 MW) results in a significant capital investment increase; however, the number of turbines will only increase from one hundred (100) to one hundred and seven (107) due to the utilization of technologically advanced 2.625 MW turbines. The turbine increase has forced a modification to the project footprint and geographic boundary and is reflected in the enclosed amended maps. Since the amount of full-time jobs necessary for the project is based on the number of turbines, of which the increase is nominal, the number of full-time jobs required for the project and in the original application remains unchanged. However, an amended Request for Waiver of Job Creation Requirement letter is necessary for the amendment to reflect only the reference to increase in number of turbines contained in the letter.

If you have any questions, please contact me at 434.220.7595.

Sincerely,



Mark Goodwin

c/o Apex Clean Energy, Inc.
310 4th Street NE, Suite 200 | Charlottesville, VA 22902
T 434.220.7595 | F 434.220.3712
apexcleanenergy.com

Apex Clean Energy Holdings, LLC
President
310 4th Street NE, Suite 200
Charlottesville, VA 22902

cc:

Bob Kirby, Apex Clean Energy Holdings
James Wester, Underwood Law Firm
Fred Stormer, Underwood Law Firm
Allen Espinosa, Merit Advisors
C.J. Evans, Jr., Merit Advisors

Application for Appraised Value Limitation on Qualified Property

SECTION 9: Projected Timeline

1. Application approval by school board May 2016
2. Commencement of construction Q1 2018
3. Beginning of qualifying time period May 2016
4. First year of limitation 2019
5. Begin hiring new employees Q4 2018
6. Commencement of commercial operations Q4 2018
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ☒ Yes ☐ No
- Note:** Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? Q4 2018

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Floyd County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Floyd CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 County: Floyd County, \$0.63512, 100% City:
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: Caprock Hospital, \$0.14060, 100% Water District: High Plains UWCD #1, \$0.00810, 100%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): Other (describe):
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
5. Is the project located entirely within the ISD listed in Section 1? ☒ Yes ☐ No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ☐ Yes ☒ No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at www.texasahead.org/tax_programs/chapter313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 10,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00
- Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ☒ Yes ☐ No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ☒ Yes ☐ No

Tab 4

Detailed description of the project

Apex Clean Energy Holdings, LLC ("Apex") is requesting an appraised value limitation from Floydada Independent School District ("ISD") for the Pumpkin Farm Wind, LLC Project ("Project"). Apex is proposing to construct, operate, and maintain a renewable energy facility primarily utilizing wind-powered electric generation equipment to be located in Floyd County ("County"), which will expand the local tax base in this rural community and contribute to employment in the County without triggering any new burden to shared services.

The Project is anticipated to have a capacity of 280 MW located in Floydada ISD. The exact number and placement of the wind turbines and size of each will vary depending on the final design package. Construction of the Project is expected to begin in the 1st Quarter of 2018 with completion by the end of 2018. The Pumpkin Farm Project is expected to be operational for 30 years or more.

The Project site is well-suited for energy development alongside current agricultural use. It is considered low-risk in terms of potential impact to sensitive wildlife due to active farming and abundance of comparable habitats in the vicinity. The Project's wildlife study protocols are consistent with the industry's practices for similar habitats. Threatened and endangered species concerns are considered minimal: no mitigation, curtailment or permits are required.

Tab 7

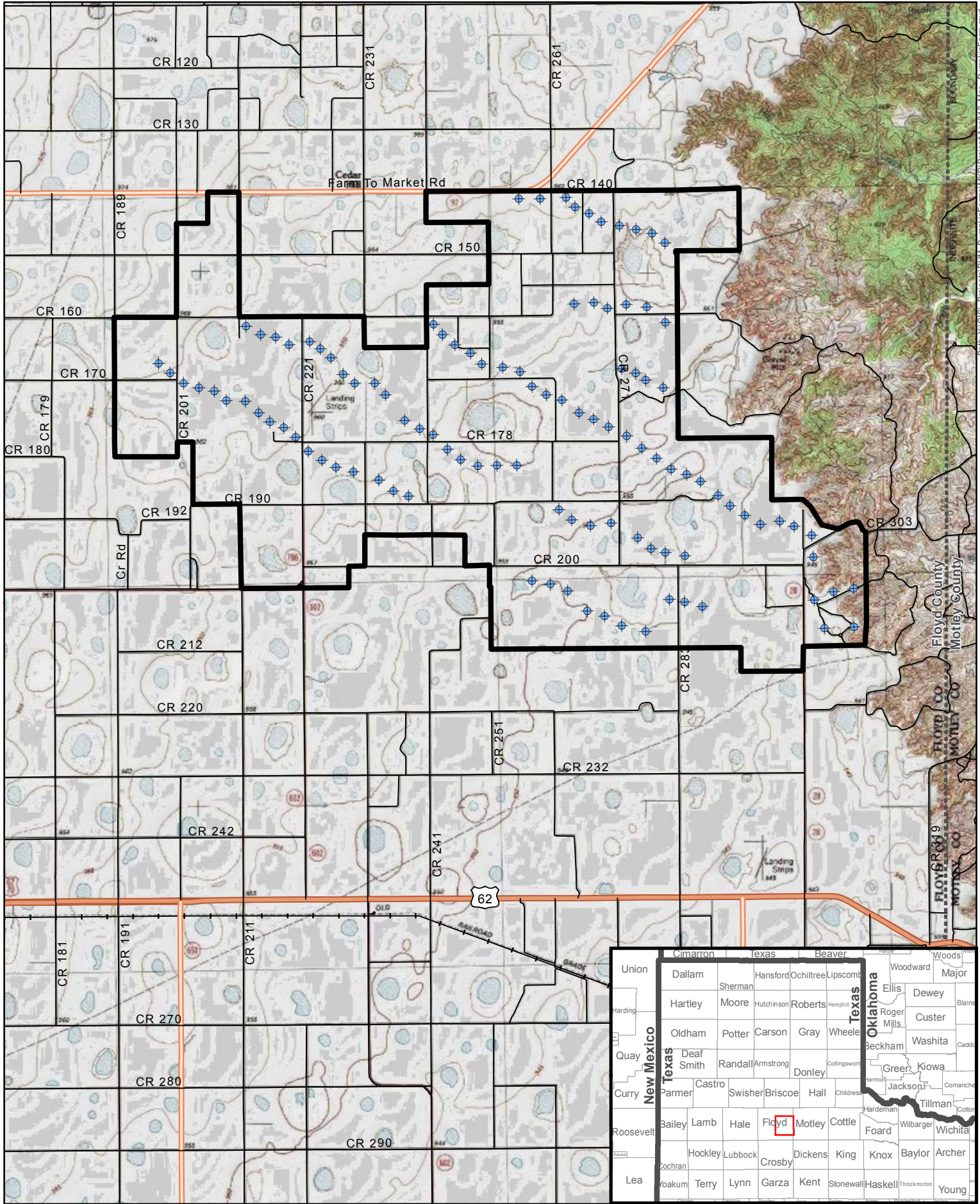
Description of Qualified Investment

The qualified investment would initially consist of up to one hundred and seven (107) wind turbines or more located in Floydada ISD with an initial operating capacity of 280 MW, depending on the wind turbine model selected and the nameplate capacity of each turbine. In addition to the wind turbines, electrical connections will be installed to permit the interconnection and transmission of electricity generated by the wind turbines. The size and number of turbines will ultimately be determined by the timing of development and construction of the project and availability of turbines. There will be also be, within the project boundary, a short transmission line to the point of interconnection, permanent buildings and offices, office equipment and computers, anemometer towers, electrical transmission interconnects, cables, towers, spare parts, control systems for commercial generation of electricity, fencing and other equipment as needed for safety and security and related office and control buildings and personal property supporting the Project.

Tab 11

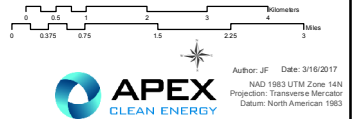
Maps

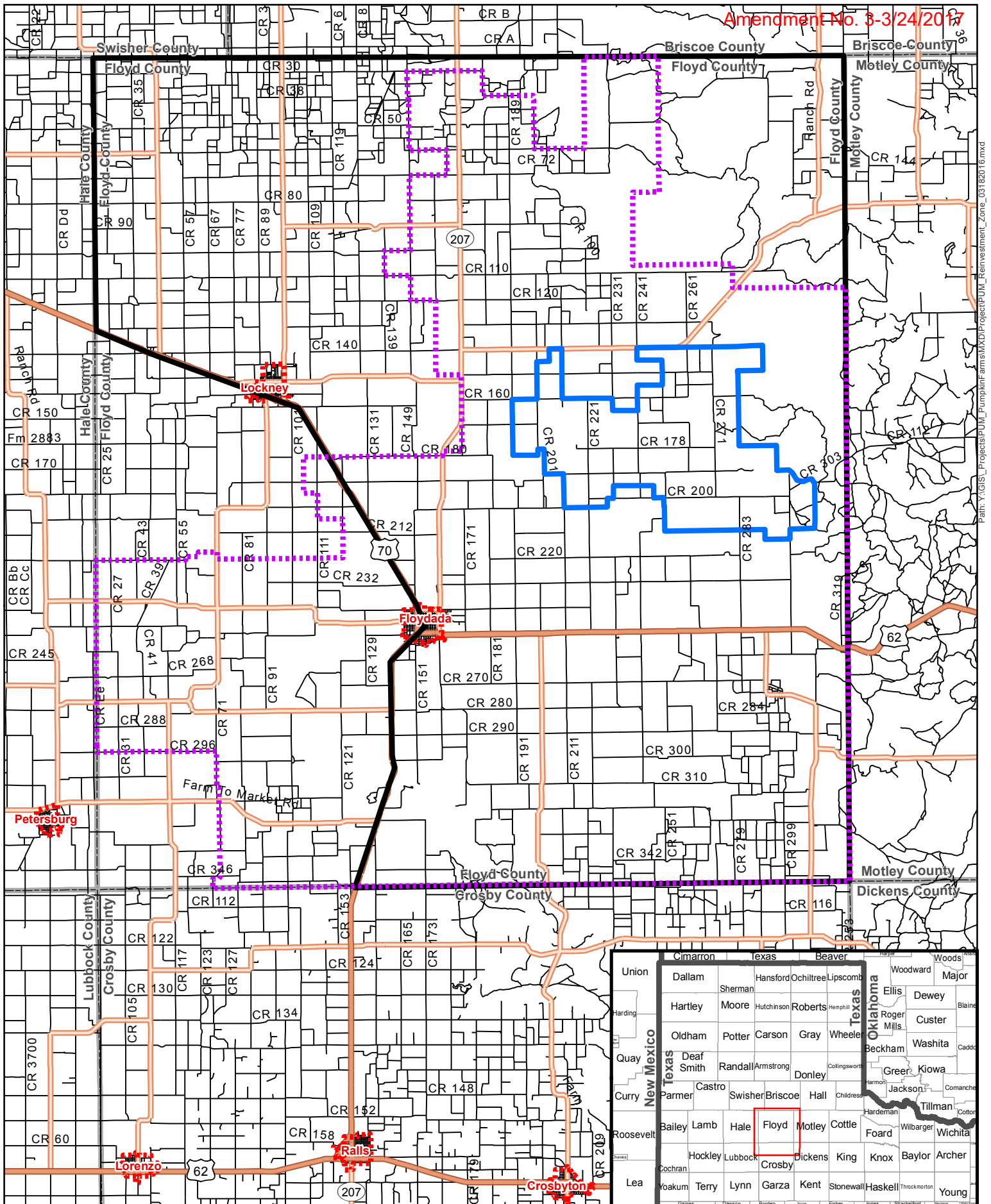
See attached.



Pumpkin Farm

- ◆ Turbine Location
- ▬ County Boundary
- ▬ Project Boundary





Pumpkin Farm: Reinvestment Zone

- Project Boundary
- Reinvestment Zone
- County Boundary
- City/Town
- Floydada ISD

Tab 12

Request for Waiver of Job Creation Requirement and supporting information (if applicable)

See the attached letter.

Pumpkin Farm Wind, LLC

Floyd County, Texas

March 10, 2017

Re: Pumpkin Farm Wind, LLC Employment Estimate

To whom it may concern:

Wind projects create a large number of construction jobs but require a small number of highly skilled technicians to operate a wind project once commercial operations begin. The permanent employees of a wind farm maintain and service the wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. Based upon Apex's extensive experience in wind development and a survey of experienced developers and operators of large scale wind projects, we find that the industry standard for ratio for permanent employment is one (1) full-time employee for every fifteen (15) to twenty (20) turbines. This number can and does vary depending upon the operator, turbine type and size, and support and technical assistance offered by the turbine manufacturer. Thus, there are seven (7) full-time employees anticipated for this one-hundred and seven (107) turbine project. In addition to the on-site employees described above, there may be asset managers or technicians who supervise, monitor and support wind project operations from off-site locations.

Therefore, we respectfully request that the job creation requirement be waived for this project.

If you have any questions please do not hesitate to contact me at 434.220.6353.

Sincerely,



Mark Goodwin

Tab 14

Schedules A1, A2, B, C, and D completed and signed Economic Impact (if applicable)

See attached.

Date3/10/2017Applicant NamePumpkin Farm Wind, LLCISD NameFloydada

Amendment No. 3-3/24/2017Form 50-296ARevised May 2014

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2016	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period								
Complete tax years of qualifying time period	QTP1	2017 - 2018	2017					
	QTP2	2018 - 2019	2018	\$378,000,000				\$378,000,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$378,000,000				\$378,000,000
				Enter amounts from TOTAL row above in Schedule A2				
				Total Qualified Investment (sum of green cells)		\$378,000,000		

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property {SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		Enter amounts from TOTAL row in Schedule A1 in the row below				
				\$378,000,000				\$378,000,000
Each year prior to start of value limitation period** <small>Insert as many rows as necessary</small>	0	2016 - 2017	2016					
	1	2017 - 2018	2017					
	2	2018 - 2019	2018	\$378,000,000				\$378,000,000
	1	2019 - 2020	2019					
	2	2020 - 2021	2020					
	3	2021 - 2022	2021					
	4	2022 - 2023	2022					
	5	2023 - 2024	2023					
	6	2024 - 2025	2024					
	7	2025 - 2026	2025					
	8	2026 - 2027	2026					
	9	2027 - 2028	2027					
	10	2028 - 2029	2028					
Total Investment made through limitation				\$378,000,000				\$378,000,000
Continue to maintain viable presence	11	2029 - 2030	2029					
	12	2030 - 2031	2030					
	13	2031 - 2032	2031					
	14	2032 - 2033	2032					
	15	2033 - 2034	2033					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2034 - 2035	2034					
	17	2035 - 2036	2035					
	18	2036 - 2037	2036					
	19	2037 - 2038	2037					
	20	2038 - 2039	2038					
	21	2039 - 2040	2039					
	22	2040 - 2041	2040					
	23	2041 - 2042	2041					
	24	2042 - 2043	2042					
	25	2043 - 2044	2043					

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application. Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date

3/10/2017

Applicant Name

Pumpkin Farm Wind, LLC

Amendment No. 3-3/24/2017

ISD Name

Floydada

Revised May 2014

Form 50-296A

				Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Pre-Year	0	2016 - 2017	2016						
Qualified Investment Period	1	2017 - 2018	2017						
	2	2018 - 2019	2018			\$359,100,000			
Value Limitation Period	1	2019 - 2020	2019			\$340,200,000	\$359,100,000	\$359,100,000	\$20,000,000
	2	2020 - 2021	2020			\$321,300,000	\$340,200,000	\$340,200,000	\$20,000,000
	3	2021 - 2022	2021			\$302,400,000	\$321,300,000	\$321,300,000	\$20,000,000
	4	2022 - 2023	2022			\$283,500,000	\$302,400,000	\$302,400,000	\$20,000,000
	5	2023 - 2024	2023			\$264,600,000	\$283,500,000	\$283,500,000	\$20,000,000
	6	2024 - 2025	2024			\$245,700,000	\$264,600,000	\$264,600,000	\$20,000,000
	7	2025 - 2026	2025			\$226,800,000	\$245,700,000	\$245,700,000	\$20,000,000
	8	2026 - 2027	2026			\$207,900,000	\$226,800,000	\$226,800,000	\$20,000,000
	9	2027 - 2028	2027			\$189,000,000	\$207,900,000	\$207,900,000	\$20,000,000
	10	2028 - 2029	2028			\$170,100,000	\$189,000,000	\$189,000,000	\$20,000,000
Continue to maintain viable presence	11	2029 - 2030	2029			\$151,200,000	\$170,100,000	\$170,100,000	\$170,100,000
	12	2030 - 2031	2030			\$132,300,000	\$151,200,000	\$151,200,000	\$151,200,000
	13	2031 - 2032	2031			\$132,300,000	\$132,300,000	\$132,300,000	\$132,300,000
	14	2032 - 2033	2032			\$132,300,000	\$132,300,000	\$132,300,000	\$132,300,000
	15	2033 - 2034	2033			\$132,300,000	\$132,300,000	\$132,300,000	\$132,300,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2034 - 2035	2034			\$132,300,000	\$132,300,000	\$132,300,000	\$132,300,000
	17	2035 - 2036	2035			\$132,300,000	\$132,300,000	\$132,300,000	\$132,300,000
	18	2036 - 2037	2036			\$132,300,000	\$132,300,000	\$132,300,000	\$132,300,000
	19	2037 - 2038	2037			\$132,300,000	\$132,300,000	\$132,300,000	\$132,300,000
	20	2038 - 2039	2038			\$132,300,000	\$132,300,000	\$132,300,000	\$132,300,000
	21	2039 - 2040	2039			\$132,300,000	\$132,300,000	\$132,300,000	\$132,300,000
	22	2040 - 2041	2040			\$132,300,000	\$132,300,000	\$132,300,000	\$132,300,000
	23	2041 - 2042	2041			\$132,300,000	\$132,300,000	\$132,300,000	\$132,300,000
	24	2042 - 2043	2042			\$132,300,000	\$132,300,000	\$132,300,000	\$132,300,000
	25	2043 - 2044	2043			\$132,300,000	\$132,300,000	\$132,300,000	\$132,300,000

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date

3/10/2017

Applicant Name

Pumpkin Farm Wind, LLC

ISD Name

Floydada

Form 50-296A

Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Pre-Year	0	2016 - 2017	2016					
Qualified Investment Period	1	2017 - 2018	2017					
	2	2018 - 2019	2018	320,000 man-hours	\$50,000	0	7	\$36,480
Value Limitation Period	1	2019 - 2020	2019			0	7	\$36,480
	2	2020 - 2021	2020			0	7	\$36,480
	3	2021 - 2022	2021			0	7	\$36,480
	4	2022 - 2023	2022			0	7	\$36,480
	5	2023 - 2024	2023			0	7	\$36,480
	6	2024 - 2025	2024			0	7	\$36,480
	7	2025 - 2026	2025			0	7	\$36,480
	8	2026 - 2027	2026			0	7	\$36,480
	9	2027 - 2028	2027			0	7	\$36,480
	10	2028 - 2029	2028			0	7	\$36,480
Years Following Value Limitation Period	11 through 25	2029- 2044	2029 - 2043			0	7	\$36,480

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
Only include jobs on the project site in this school district.

C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
If yes, answer the following two questions:

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)?

☒

Yes

☐

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)?

☐

Yes

☒

No

Schedule D: Other Incentives (Estimated)

3/10/2017

Date

Pumpkin Farm Wind, LLC

Applicant Name

Form 50-296A

ISD Name

Floydada

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County: N/A					
	City: N/A					
	Other: N/A					
Tax Code Chapter 312	County: Floyd County	2019	10	\$1,966,798	\$1,198,220	\$768,578
	Other: Caprock Hospital District	2019	10	\$404,226	\$235,695	\$168,531
	Other:					
Local Government Code Chapters 380/381	County: N/A					
	City: N/A					
	Other: N/A					
Freeport Exemptions	N/A					
Non-Annexation Agreements	N/A					
Enterprise Zone/Project	N/A					
Economic Development Corporation	N/A					
Texas Enterprise Fund	N/A					
Employee Recruitment	N/A					
Skills Development Fund	N/A					
Training Facility Space and Equipment	N/A					
Infrastructure Incentives	N/A					
Permitting Assistance	N/A					
Other:	N/A					
Other:	N/A					
Other:	N/A					
Other:	N/A					
TOTAL				\$2,371,024	\$1,433,915	\$937,109

Additional information on incentives for this project:

Tab 17

Signature and Certification page

See page 8 of the application form 50-296-A (Tab 1)

Application for Appraised Value Limitation on Qualified Property

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print here ▶ Gilbert Trevino Superintendent
Print Name (Authorized School District Representative) Title


sign here ▶  3/24/17
Signature (Authorized School District Representative) Date

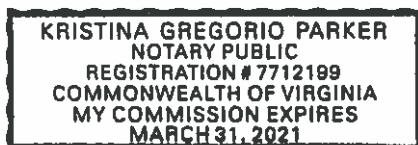
2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here ▶ Mark Goodwin President
Print Name (Authorized Company Representative (Applicant)) Title

sign here ▶  March 1, 2017
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

1 day of March, 2017
Kristina Parker
Notary Public in and for the State of ~~Texas~~ Virginia.
My Commission expires: 3/31/21

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.